

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA,

16-cr-338 (PKC)

-against-

MEMORANDUM
AND ORDER

WILLIAM WALTERS,

Defendant.

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CASTEL, U.S.D.J.

A grand jury sitting in this district has returned a ten count indictment against William Walters, charging him with conspiracies to commit securities fraud and wire fraud, and four counts each of substantive securities fraud and substantive wire fraud. Defendant Walters moves for a hearing and remedial measures to address government misconduct during the investigation leading to the indictment in this case. The motion is premised on claims that false statements were made in support of Title III wiretap applications and one or more members of the prosecution team leaked grand jury information resulting in articles that appeared in the *Wall Street Journal* and *The New York Times* from May 30, 2014 to June 23, 2014.

The Court has reviewed the motion, response and reply, including the declarations. On balance, a hearing on certain issues is warranted because of the temporal nexus between the May 23, 2014 statement in support of the wiretap renewal that agents were “not currently planning to approach the other TARGET SUBJECTS” and the May 29 approaches to the targets by special agents at distant locations, i.e. Dallas, Texas and Dublin, Ohio. Also the newspaper articles in totality and in specifics are suggestive of a government leak, including of subpoenas arguably protected under Rule 6(e), Fed. R. Crim. P. See, e.g., Exhs. S & T to Schoeman Decl.

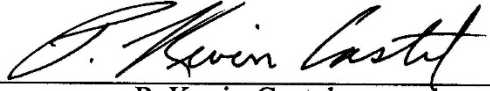
The Court will hold an evidentiary hearing on December 12, 2016 at 2:15 p.m. limited to the following:

1. The timing of the decision to have special agents approach two targets on May 29, 2014, including when travel arrangements were made for the approaches.
2. During the period April 1, 2014 to June 30, 2014, any communication, directly or indirectly, between any Special Agent of the FBI or Assistant United States Attorney who had participated or was participating in the investigation of the subject matter that led to the indictment returned in this case and any of the following: Michael Rothfeld, Susan Pulliam, Ben Protess, Matthew Goldstein or any employee of the *Wall Street Journal* or *The New York Times*.

Defendant Walters expressly disclaims suppression of wiretap evidence as requested relief. (D. Mem. 33, 40.) The Court makes no finding of misconduct at this juncture and need not focus on the scope of any remedial relief if misconduct were to be found.

All other matters will be addressed at the previously scheduled conference of December 2, 2016.

SO ORDERED.


P. Kevin Castel
United States District Judge

Dated: New York, New York
November 17, 2016